

CONFIDENTIAL

5 Grosvenor Square

28 February 1952

Chief  
Foreign Broadcast Information Division  
2430 E Street, N.W.  
Washington, D. C.

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Dear Alan:

I expect you are aware that BBC is having financial troubles. I am informed that although they do not anticipate actual cuts in appropriation, the money they have will not go nearly so far during the next fiscal year, with prospective higher costs of operation. Malcolm already has put some economies into effect. The Typing Pool has been virtually eliminated, the special reports group in the News Bureau which prepare Satellite analyses has been abolished, and I believe soon Great Oaks will no longer be maintained as a hostel. Malcolm is engaged in long and difficult negotiations with Broadcasting House, the Foreign Office, the Treasury and various unions to determine the services to be kept, the staff to maintain them and the salaries to be paid. As yet he does not know what he can count on for next year.

No curtailment of coverage is contemplated at present, he says. In the event of such a necessity he will, of course, give us ample notice in order to provide for prior consultations.

He did ask me to suggest to you the possibility that some request might have to be made of us ultimately to share or assume the cost of the Kyrenia-London circuit. He did not hazard an opinion, nor did I, on just how such a step might affect the reciprocal agreement. He thought you should be prepared in advance in case the decision had to be made suddenly.

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I asked Malcolm if the proposed economies would affect plans for the Baltic project. He said they would not as far as he knew, and added that the project had in fact been tentatively approved. He was sending Hill in a few days with equipment to carry out tests on the grounds of the British Embassy in Stockholm. Upon Hill's return a team of language cruisers will explore coverage possibilities. Malcolm promised a progress report as soon as any information was available.

Sincerely,



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